GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2719
ANSWERED ON:31.08.2007
INCREASE IN LOAN TO SSI
Athawale Shri Ramdas

Will the Minister of FINANCE be pleased to state:

(a) the total loans provided to Small Scale Industries (SSI) during each of the last three years and till date, State-wise;

(b) whether the Government proposes to increase loans to small scale industries; and

(c) if so, the detaihs thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): As per latest data available with the Reserve Bank of India (RBI), the State-wise outstanding credit given by Public Sector Banks to the Small Scale industries (SSI) during the years 2004, 2005 and 2006, as furnished by RBI, is placed at Annexure.

(b) & (c): Government has targeted a 20% year on year growth in credit to the Small and Medium Enterprises (SME) Sector. RBI has formulated a scheme to encourage banks to establish a mechanism for better co-ordination between their branches and branches of SIDBI for co-financing of SMEs on mutually agreeable operational modalities. Modification in Credit Linked Capital Subsidy Scheme for upgradation of SSI sector, introductior of Credit Rating SchemOe by National Small Industries Corporation and setting up of SME Rating Agency by SIDBI are some other measures taken by the Government and RBI to increase the credit flow to SME sector. Further, the Micro, Small and Medium Enterprises Development Act, 2006 has been enacted to cater to the needs of the SME sector.